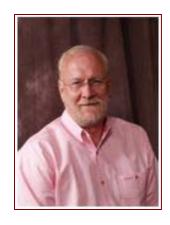
Whiteside & Associates

TRANSPORTATION REPORT

From: Terry Whiteside

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The Senate Has Before It S1813 - formerly The FAA Bill - Now The Surface Transportation Bill

As stated last week - the Senate is moving on their transportation bill - having passed the cloture vote (60 votes) and thus allowed Senator Reid to amend the bill by adding the Surface Transportation components to the bill. The Transportation Report will be reporting as often as necessary, to keep everyone abreast of the changes occuring in the House and Senate Surface Transportation bills. As a reminder, the Senate voted 85-14 last week to clear the S1813 for debate (and amendments) in the coming weeks.

Senator Kohl - Drops His Rail Antitrust Bill Formerly S49 for Amendment to the Surface Transportation Bill Before the Senate (S1813)

Senator Kohl and Senator Vitter dropped their bill S49 as amendment 1591 to S1813 in the hopper on 2/14/12. This amendment would "amend the Federal Antitrust laws to provide expanded coverage and to prevent exemptions from such laws that are contrary to the public interest with respect to the railroads."

The original bill - S49 passed the Senate Judiciary Committee last year with just one dissenting vote while being opposed by the railroads. The States Attorney General - led by Steve Bullock of Montana also worked on passage of this bill.

The captive shippers groups worked to educate folks about the need for this bill. This included groups such as Alliance for Rail Competition, National Association of Wheat Growers, National Barley Growers Association, American Chemistry Council, Edison Electric Institute, National Industrial Traffic League and the Consumer United for Rail Equity as well as many individual companies.

Editor's Note: Components still to be added to of the Surface Transportation bill - such as input from Senate Finance, Commerce, Environment and Public Works
Committee, Banking Committee, Judiciary Committee and Senate Leadership have
not yet been published. These will, in large part, determine makeup and scope of the
Surface Transportation bill in the Senate. The Senate bill and the House version of
Surface Transportation Reauthorization bill are still very far apart on scope and size.
For example, the House version expects expenditures of \$260 Billion (as of mid-week
of February 8th), and on the Senate side it is estimated there is a \$12 billion gap
between the two-year Senate bill's \$109 billion cost and the projected resources in
the Highway Trust Fund. Also be aware, that the House bill version is a 5 year bill with
estimated price tag of \$260 billion. A long way to go - and the differences may
ultimately be worked out in Conference committee's between the House and Senate.
One of the big hurdles will be how to pay for shortfalls in the bills (proposed
expenditures over and above traditional funding sources).